

# **SUSTAINABLE PURCHASING POLICY**

## **1. INTRODUCTION**

This policy is intended to provide the guidance, requirements and procedures necessary for the conduct of purchasing activities for the Town of Berwyn Heights. The policy is designed to:

- a) Encourage maximum competition through fair and equal opportunity to those qualified and interested bidders;
- b) Provide a uniform procedure for the procurement of material, equipment, supplies, and services;
- c) Ensure that the taxpayers are getting the “best overall value” for their dollars;
- d) Promote transparency by requiring additional reporting to the Mayor, Council and the public;
- e) Foster green purchasing that considers materials (including energy and water to manufacture products), production, packaging/distribution, and distance of transport; and
- f) Ensure the purchase of recycled and other environmentally preferable products whenever practicable.

## **2. PURCHASING PROCEDURES**

- a) Purchase orders shall be issued prior to purchase unless:
  - i. the purchase is made by Credit Card, or
  - ii. the purchase is one of the following:
    1. Administrative payroll and health care fees
    2. Debt related transactions
    3. Utility services
    4. Oil and gasoline purchases
    5. Vehicle maintenance and repair
    6. Telephone and internet services
    7. Annual fire inspections
    8. Employee reimbursements
    9. Landfill charges
    10. Planning and building inspections
- b) All purchases require prior approval of the Department Director.
- c) Additional approval authority is required as follows:
  - i. Purchases valued at \$5,000 or less – Department Director
  - ii. Purchases valued at \$5,000.01 to \$10,000 – Town Manager
  - iii. Purchases valued at \$10,000.01 and higher -Town Council.
- d) Town issued credit cards are:
  - i. Limited to the following positions:
    1. Town Manager
    2. Department Directors
    3. Key administrative and supervisory positions, with the approval of the Department Director and Town Manager

4. Assistant to the Town Manager, with the approval of the Town Manager
- ii. Subject to the following financial limits:
  1. Town Manager – up to \$5,000
  2. Department Directors – up to \$5,000
  3. Key administrative and supervisory staff – up to \$5,000
  4. Assistant to the Town Manager (ATM)– up to \$5,000  
When the Town Manager elects not to have a credit card, the limit for the ATM may be set at up to \$10,000
- iii. Encouraged for purchases under \$500.

### 3. SUSTAINABILITY

- A. Town employees will incorporate the following factors when writing specifications for or procuring materials, products, or services. While not all factors will be incorporated into every purchase, it is the intent of this policy for Town employees to make a good faith effort to incorporate and balance these factors to the maximum extent possible.

Environmental factors to be considered include, but are not limited to, the life cycle assessment of:

- Pollutant releases
- Toxicity, especially the use of persistent, bioaccumulative, and toxic (PBT) chemicals
- Waste generation
- Greenhouse gas emissions
- Energy consumption
- Depletion of natural resources
- Impacts on biodiversity

Social equity factors to be considered include, but are not limited to:

- Human health impacts
- Use of local businesses
- Use of State of Maryland Minority, Women, and Emerging Small Businesses

Fiscal Factors to be considered include, but are not limited to:

- Use reduction; buy only what is needed
- Product performance and quality
- Life-cycle cost assessment; reasonable total cost while meeting performance requirements
- Leveraging buying power
- Impact on staff time and labor
- Long-term financial/market changes

**B. Use of Best Practices**

Town employees will utilize best practices in sustainable procurement as they evolve. As it applies to this policy, best practices in sustainable procurement are those that utilize leading edge sustainability factors, standards, and procedures in an efficient and effective way that is successful and replicable.

**C. Toxic Substances Used in Products and Services**

Town employees will utilize the framework of the Precautionary Principle as a guide when evaluating the comparative toxicity of products and services.

**D. Minimize Greenhouse Gas Emissions**

Preference shall be given to fuel and energy sources that minimize the Town's greenhouse gas emissions, such as hybrid or electric vehicles and solar photovoltaic electricity generation.

**E. Use of Third-Party Product or Service Labels**

Town employees are encouraged to use independent, third-party social and/or environmental (eco) product or service label standards when writing specifications for or procuring materials, products, or services, so long as such labels:

- Were developed and awarded by an impartial third-party such as Energy Star, the Rainforest Alliance, and the Forest Stewardship Council
- Were developed in a public, transparent, and broad stakeholder process; and
- Represent specific and meaningful leadership criteria for that product or service category.

In addition, whenever possible, label standards used in product or service specifications should represent standards by considering multiple attributes and the life-cycle, with claims verified by an independent third-party.

**F. Town Charter, Code of Ordinances and State of Maryland Laws and Regulations**

It is the intent of this policy to complement, but not supersede, the Town Charter, Code of Ordinances and State of Maryland laws and regulations.

**4. COMPETITIVE BIDDING REQUIREMENTS**

The Department Directors are responsible for ensuring that the Town staff members follow best practices that comply with the policies and procedures. The Town Manager shall be responsible for dissemination and enforcement of the policy as well as its incorporation into routine training sessions.

- a) **Under \$1,000:** Department Directors are encouraged to do whatever is practical to secure competitive pricing from multiple sources.

- b) **Between \$1,000 and \$5,000:** Quotes should be attached to the purchase order.
- c) **Between \$5,000.01 and \$10,000:** Informal bids from at least three sources must be obtained. Bids should be documented by written quotations from vendors. This documentation should be attached to the purchase order.
- d) **Over \$10,000:** The formal sealed bid approach is used for major purchases. An invitation to bid must be publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening. Bid specifications require the approval of the Town Manager. Formal bids must be received, in sealed envelopes by a posted deadline. Original signatures are required; email submissions are not allowed.

All bids shall be opened before the public at a date, time and place designated in the bid request. The Town Manager, Public Works Director, Town Treasurer, Town Clerk, Assistant to the Town Manager or their designee shall open all bids under dual control. Late bids will not be accepted.

If at least three bids are not received the Town Manager may:

- 1. Require a re-bid,
- 2. Work with the Mayor consistent with Section 609.1 of the Town Charter, entitled Negotiated Contracts, or
- 3. Seek direction from the Town Council if one or more responsible bids is received.

An invitation to bid, request for proposal, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or part, when it is in the best interest of the Town. For example, the Town will not consider bids from a vendor who has an overdue balance on a Town account. The reason for the rejection shall be made part of the formal bid file.

The Town at any time, in its discretion, may employ its own forces for the construction or reconstruction of public improvements without advertising for or re-advertising for or receiving bids.

Upon obtaining the prior approval of the Council, the Town Manager may enter into the following contracts without solicitation of competitive bids:

- i. Contracts of lease or purchase of real estate.
- ii. Contracts of lease or purchase of motor vehicles.
- iii. Accounting service contracts.
- iv. Insurance contracts.
- v. Architectural services contracts.
- vi. Engineering services contracts.
- vii. Surveying services contracts.
- viii. Legal services contracts.
- ix. Computer hardware and software contracts.

- x. Interior design and decorating contracts.

**5. PROFESSIONAL SERVICE CONTRACTS**

The Request for Proposal (RFP) or Request for Qualifications (RFQ) process is used. The proposal includes a scope of work and a cost proposal.

The RFP/RFQ must be:

- Approved by the Town Manager,
- In writing and
- Posted on the Town’s website and publicly advertised in the legal paper of record at least fourteen (14) days prior to the date set for opening the proposals.

The Town Manager may post the RFP or RFQ to a clearing house such as DemandStar, as they deem necessary.

Proposals shall be opened before the public at a date, time and place designated in the RFP/RFQ. All proposals shall be opened under dual control by the Town Manager, Public Works Director, Town Treasurer, Assistant to the Town Manager (or their designee) and other pertinent Town staff. The proposals shall be analyzed (based upon the “best overall value” to the Town) and documented including staff recommendation.

Award shall be made by the Town Manager, or the Town Council based on the dollar limits described in this policy.

**6. PIGGYBACK CONTRACTING ALLOWED**

The Town Manager may use the result of a Request for Proposal or Request for Qualifications process of another government agency to procure services and products as long as the vendor honors the price determined through that competitive selection process.

**7. COOPERATIVE PURCHASING ALLOWED**

The Town Manager may use cooperative purchasing arrangements or memberships to procure services and products when they deem this approach to be in the best interests of the Town.

**8. EMERGENCY PROCUREMENTS**

See section 609.1 of the Town Charter, entitled Negotiated Contracts.

**9. ARTIFICIAL DIVISION PROHIBITED**

Purchases shall not be artificially divided so as to create lower purchase amounts and therefore avoid some requirements of this policy. Whether or not a proposed

purchase constitutes artificial division shall be determined by the Town Manager.

## **10. EXCEPTIONS**

Exceptions to the policy will be determined on a case-by-case basis by the Town Council.

## **11. ETHICS IN PUBLIC PURCHASING AND CONTRACTING**

All purchases and contracts are subject to the Town's Code of Ethics.

## **12. IMPLEMENTATION AND RESPONSIBILITIES**

### **a) Product and Service Standards**

Town Senior Staff shall be responsible for:

- Ensuring Town staff utilize product and service standards and best practices that comply with this policy. Examples include, but are not limited to, standards for: minimum recycled content, energy efficiency, and prohibited toxic ingredients;
- Ensuring when the need for developing a Town standard or best practice in sustainable procurement arises, the Town Manager will participate and collaborate with other applicable Town staff to harmonize and continuously improve standards throughout the Town;
- Encouraging pilot testing for environmentally preferable/sustainable products; and
- Ensuring internal policies and procedures reference this policy and incorporate the use of sustainable products and services that meet the intent of this policy.

The Town Manager shall be responsible for providing resources for assisting Town departments with standards and best practices in sustainable procurement.

### **b) Specifications and Contracts**

The Town Manager shall be responsible for:

- Ensuring specifications written by Town departments comply with this policy and incorporate sustainable procurement best practices.

The Town Manager, with staff assistance, shall be responsible for:

- Ensuring purchasing manuals and other internal procedures reference this policy and incorporate best practices for specifying products and services to meet the intent of this policy;
- Ensuring evaluation criteria for determining the responsibility of prospective contractors incorporate sustainability factors to meet the intent of this policy; and

- Developing and integrating sustainable procurement boilerplate language into solicitation document templates.

c) **Education**

The Town Manager, with staff assistance, shall be responsible for:

- Building awareness of this policy through information dissemination and incorporation into routine employee trainings;
- Encouraging employee attendance at internal and external trainings related to sustainability; and
- Encouraging the use of environmentally preferable/sustainable products and services through information dissemination, development of internal procedures, pilot testing, and leading by example.

The Town Manager, with staff assistance, shall be responsible for:

- Developing employee sustainable procurement resources including, but not limited to, standards, specifications, tools, and best practices;
- Developing buyer-specific training on sustainable procurement best practices to meet the intent of this policy;
- Incorporating sustainable procurement best practices into solicitations and contracts;
- Developing inter-departmental communication about sustainable procurement best practices; and
- Taking the lead in communicating with existing and potential contractors and the public about this policy and related Town requirements.

d) **Data Collection and Performance Reporting**

The Town Manager shall be responsible for:

- Cooperating in gathering information for the purposes of tracking, reporting, and evaluating the Town's sustainable procurement activities and evaluating the effectiveness of this policy;
- Integrating department-specific sustainable procurement goals into the Town's sustainability plans; and
- Presenting a progress report on sustainable procurement activities and the effectiveness of this policy as requested by the Town Council.

e) **Resources**

The Town shall commit to providing the appropriate dedicated staff levels and related funding to support the implementation and coordination of this policy. This includes activities such as, but not limited to, employee training and resources, professional services, product/service pilot tests, and educational materials.

f) **Policy Review**

The Town Manager shall be responsible for periodically bringing together internal stakeholders to review this policy for updates or to otherwise determine whether this policy is in alignment with other Town sustainability efforts and policies.

## **APPENDIX A: DEFINITIONS**

### **Biodiversity:**

The total diversity of all organisms and ecosystems at various spatial scales (genes, populations, species, ecosystems, and biomes). Biodiversity is often used as a measure of the health of biological systems.

### **Cooperative procurement:**

The combining of requirements of two or more public procurement entities to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices and the reduction of administrative time and expenses.

### **Environmentally Preferable:**

Products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.

### **Life Cycle Assessment or Life Cycle Analysis (LCA):**

The comprehensive examination of a product's environmental and economic effects throughout its lifetime including new material extraction, transportation, manufacturing, use, and disposal.

### **Life Cycle Cost Assessment (LCCA):**

The comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service, and disposal costs.

### **Persistent, Bioaccumulative, and Toxic (PBT) Chemicals:**

Chemicals that are toxic, persist in the environment, and bioaccumulate in food chains.

### **Piggyback Contracting:**

Piggybacking happens when an agency uses another agency's contract, even though it was not a party to the original solicitation and contract award. Agencies that piggyback on another agency's contract are bound by the terms, conditions, and pricing set in the contract. In contrast to a contract established through a joint solicitation process, a contract that allows for piggybacking does not inform the awarded supplier(s) of what the actual purchasing volume will be over the life of the contract. As a result, suppliers may not be in a position to offer the most aggressive pricing. Thus, the piggyback approach to cooperative procurement is a more retrospective approach to cooperative procurement than joint solicitation because suppliers can only improve their pricing and terms after the contract has been utilized multiple times.

**Precautionary Principle:**

A framework that guides decision makers to take anticipatory and protective measures when an activity raises threats of harm to human health or the environment, even if some cause-and-effect relationships are not fully established scientifically.

**Sustainable Procurement:**

Purchasing materials, products and services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.

**Toxicity:**

The quality, relative degree, or specific degree of being toxic or poisonous.